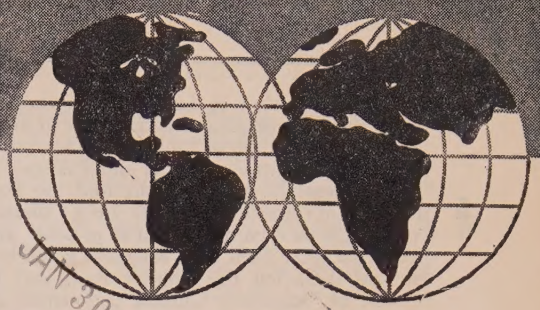
FACTS ON FILE

Weekly World News Digest with Cumulative Index



JAN 30 1951

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WORLD AFFAIRS

SUMMARY. *Issue of whether to declare Red China aggressor in Korea split UN; U.S. Congress, Pres. Truman demanded action.*

UN patrols probed Red lines in Korea, ships raided Inchon.

Gen. Eisenhower completed European defense inspection tour highlighted by goodwill visit to West Germany.

Russia again warned France, Britain against arming Germans. West made Russia new offer of Big 4 peace talks.

Domestic News: *Wage-price freeze neared; Eric Johnston replaced Alan Valentine as Econ. Stabilizer to speed it.*

Truman created super Red-investigation commission under Adm. Nimitz; Senate formed own investigation group.

House voted free $10,000 life insurance for servicemen.

Gen. Marshall pushed draft of 18-year-olds, "4-F" athletes.

KOREA

UN Nears Showdown on Chinese Intervention. One of the sharpest disputes ever to break out among non-Communist countries in the UN reached a peak this week over what to do about Chinese Communist intervention in the Korean war.

The U.S. demanded that the UN condemn Red China as an aggressor and apply sanctions if necessary. From the American viewpoint, the Chinese Reds had turned down 2 UN plans for a cease-fire in Korea and general Far Eastern peace talks, were trying to "shoot their way into the UN"; it was time to "draw the line." Congress passed resolutions in favor of outlawing the Chinese Reds and barring them from the UN, and Pres. Truman supported the action.

But India led a bloc of Far Eastern and Arab countries, supported by Britain, which fought the American "get tough" policy and refused to give up hope of negotiating with the Reds. India obtained new notes from Peking that offered to negotiate a Korean cease-fire for a limited time before, not after, other issues are settled. But Peking insisted that these points be conceded: UN forces must leave Korea and let matters there be settled "by the Korean people themselves"; the U.S. must abandon Formosa; the Reds must represent China in the UN.

The rival factions led by the U.S. and India battled for votes during UN debate on an American resolution to take action against Red China. Little was heard from Soviet-bloc delegates. They were against the American plan, mildly encouraging to Asian-Arab efforts to promote a peace conference.

Meanwhile on the war front, Red forces marked time some distance north of the UN's Wonju-Osan defense line. UN patrols made raids east of Seoul to within 33 miles of the 38th Parallel without contacting the main enemy forces.

This week's developments day by day:

Diplomatic Front

U.S. House Asks Censure of China. The American move in the UN to have Red China branded an aggressor was preceded by action in the House of Representatives in Washington Jan. 19.

The House passed a resolution asking that the UN "immediately act and declare Chinese Communist authorities an aggressor in Korea." Approval was almost unanimous on a voice vote taken an hour after the resolution was introduced. It had the indorsement of both floor leaders (Dem. John W. McCormack, Republican Joseph W. Martin Jr., both of Mass.), and Pres. Truman knew in advance of plans to pass it. The House did not bother with formalities of referring the measure to committee. One of the few dissenters, Rep. John T. Wood (R., Ida.), said he was afraid it would be mistaken for a "declaration of war" on China.

A similar U.S. Senate resolution was passed Jan. 23. The Indiana State Senate also passed a resolution Jan. 19 saying U.S. Korean war policy should be "all out or get out." [See p. 19G]

Move in UN. Despite pressure by the Arab-Asian bloc to go easy, the U.S. introduced a UN resolution Jan. 20 to pave the way for sanctions against Red China. Warren R. Austin told the Gen. Assembly's Political & Security Com. in Lake Success, N.Y. that "the time to draw the line is now." He offered a measure under which the UN would formally:

1. Declare Red China guilty of "aggression in Korea."
2. Call upon Red China to see that its "forces and nationals" in Korea "cease hostilities" and "withdraw from Korea."
3. Express "the determination of the UN to continue its action in Korea to meet the aggression."
4. Ask that all countries "lend every assistance to the UN action in Korea."
5. Ask all states "to refrain from giving any assistance to the aggressors in Korea."
6. Set up a committee (the 14 members of the new UN Collective Measures Com.) to "consider additional measures to be employed to meet this aggression." [See Vol. X, p. 354P]
7. Leave the door ajar for peacemaking contacts with Red China by having Assembly Pres. Nasrollah Entezam of Iran and 2 others of his choice stand by as a "good offices" panel to help settle the Korean dispute "at any suitable opportunity."

Austin said later Jan. 20 in a New York speech that "by acting together the members of the free world constitute a 2-to-1 preponderance of power." But he warned that the U.S. must not arbitrarily refuse to "confer and negotiate," even with "a recognized enemy." "He who wishes to stand aloof risks standing alone," he cautioned. He spoke at a dinner of the Intl. Benjamin Franklin Society, which awarded him its gold medal for outstanding service to his country. [See p. 14F-H]

India Leads Opposition. The U.S. could not get a co-sponsor for the anti-Red China resolution although it had the support of most Latin American countries, Turkey, Greece and at least 2 in the Far East: Philippines and Thailand.

India led a 12-nation Asian-Arab bloc* that insisted the UN should keep trying to negotiate with the Chinese Reds, not take action against them now and risk the spread of war beyond Korea.

*Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, Saudi Arabia, Syria, Yemen. [See Vol. X, pp. 397E-J, 390K]

POLL ON KOREA, EUROPE. Gallup poll report Jan. 21: 66% of Americans questioned favored pulling U.S. troops out of Korea "as fast as possible"; 49% now think U.S. made mistake in deciding to defend South Korea (against 20% last August). Report Jan. 24: 55% favor sending more troops to Europe to oppose communism. [See Vol. X, p. 389C-D]

In backstage parleys in Lake Success, there was a hint of Asian resentment against alleged U.S. efforts to impose a "white man's" solution to Far Eastern problems. This was even more apparent inside such countries as India and Pakistan.

Sir Benegal N. Rau of India told the Political Com. Jan. 20 that Austin's resolution would be a "disastrous course," would "isolate China even more than at present" and harm the Chinese people far more than their leaders if it led to economic sanctions. He said India felt the Chinese Reds may have acted in Korea because of "suspicious Chinese nationalism and not of aggressive communism."† Indian Prime Min. Jawaharlal Nehru said Jan. 21 in Bombay: It was "wholly incorrect" to regard Red China's Jan. 17 reply to the 2d UN cease-fire plan§ as a "rejection"; the reply was "harsh" in some places but "not far removed from the principles" embodied in the UN plan. [See p. 14C-D]

Britain and France seemed inclined to go along with the U.S. on labeling Red China an aggressor. But they thought economic sanctions would be futile, and they were against military action that would commit the West's main warmaking resources to the Far East. Britain also hesitated to break with India, Pakistan, Australia and other Commonwealth members which insisted there was still a chance to negotiate with the Chinese Reds.

But Ernest A. Gross of the U.S. delegation predicted Jan. 21 that the American resolution would pass by a "large majority." He said the U.S. would "continue to oppose" Red China's admission to the UN, would never agree to a plan for Formosa not "completely consistent with our national interests and security" and that Nationalist China must participate in any negotiations over Formosa's future. [See p. 14C, F-H]

New Chinese Note via India. A new communication from Red China, which in the opinion of many delegations modified the Reds' rejection of the latest UN cease-fire plan, was produced by Rau in the Political Com. Jan. 22.

The U.S. denounced it as a stall and a trick to divide the UN further on Korean policy. But it brought a 48-hour break in Political Com. debate on Austin's resolution against Red China.

The Chinese apparently backed down on their previous stand that there could be no cease-fire until all disputes over Korea, Formosa and Chinese representation in the UN are settled to the Reds' satisfaction. They offered to agree to a cease-fire as soon as a 7-nation Far Eastern peace conference goes into session. The truce would hold for a limited time pending negotiations on the other questions.

Rau said Indian Amb.-to-Peking Sardar K. M. Panikkar had submitted a questionnaire to the Chinese Red Govt. and received these replies (Chinese Red interpretations of their note to the UN Jan. 17 turning down the 2d cease-fire plan worked out by the UN Korean Truce Com.):

1. "If the principle that all foreign troops should be withdrawn from Korea has been accepted and is being put into practice," the Chinese Reds "will assume the responsibility to advise the Chinese volunteers to return to China." (The Jan. 17 note indicated the Chinese would not talk peace unless it was agreed in advance that UN forces would leave Korea. That note said nothing about the Chinese "volunteers" in Korea.)

2. "A cease-fire for a limited time period can be agreed upon in the first meeting of the 7-nation conference [participants specified in Red China's Jan. 17 note] and put into effect so that the negotiations may proceed further." During the truce the conference would work on "steps and measures for the withdrawal of all foreign troops from Korea," "proposals to the Korean people on the steps and measures to effect the settlement of the internal affairs of Korea by the Korean people themselves," U.S. withdrawal from Formosa and the Formosa Strait "in accordance with" the Cairo and Potsdam declarations, and other unspecified Far Eastern disputes. (The Jan. 17 note said a cease-fire must come last, not first, because the U.S. would use a truce to strengthen its forces in Korea and try to string out peace talks without coming to any agreements.)

3. "The definite affirmation of the legitimate status of the People's Republic of China in the UN must be insured." (The Jan. 17 note said Red China must be regarded as a UN member from the beginning of peace talks and in advance of a truce.)

Rau asked that the Political Com., then debating Austin's resolution, take a 48-hour recess so delegates and their governments could study the new Peking message. The recess was voted, 27-23 (6 abstentions), over U.S. opposition. Austin called the new Chinese bid "a transparent effort to divide the free world" on Korean policy, an excuse for vacillating UN members to "postpone, delay, procrastinate." He said it was a message to India, not to the UN, "not much better than a postal card."

Brig. Gen. Carlos P. Romulo of the Philippines, a backer of Austin's resolution, tried unsuccessfully to get India to reveal the questions it asked Red China, not the Chinese answers alone. Sir Gladwyn Jebb of Britain welcomed the new word from Peking, said it "seems to come closer to saying yes" to the UN cease-fire plan. [See p. 14D-F]

U.S. Opposition. In Washington State Dept. spokesmen said the U.S. would be "stupid" to accept the new Chinese terms. They said the Chinese were giving no guarantees that (1) their "volunteers" would accept "advice" to leave Korea after UN troops pulled out, (2) the truce would be supervised against violation, or (3) Koreans would be permitted to establish their own government through free, UN-approved elections. Washington also said the Chinese seemed to imply that the U.S. must come out in support of Chinese Red membership in the UN.

Senate Condemns China. The U.S. Senate Jan. 23 passed by 91-0 an even stronger anti-Red China resolution than the one the House voted Jan. 19. The Senate called on the UN to "immediately declare Communist China an aggressor in Korea," also declared that the Red Govt. "should not be admitted to membership in the UN as the representative of China."

The Senate resolution was introduced Jan. 16 by Sen. John L. McClellan (D., Ark.). When it was called up Jan. 23, Majority Leader Ernest W. McFarland (D., Ariz.) blocked a move to have it sent to the Forgn. Relations Com. before it was put to a vote. "Action now is needed to put backbone into the UN," McFarland declared. [See pp. 13K-14B]

Britain Bars Sanctions. But the British Cabinet, influenced by the new Peking note to India, decided Jan. 23 it would support the Asian-Arab bloc's efforts to negotiate peace with Red China. Prime Min. Clement R. Attlee told Commons his Govt. would vote in UN to charge the Chinese Communists with aggression, but would not go along with the U.S. campaign to apply sanctions. [See p. 14C]

India Says Reds Approve New Formula. Before the Political Com. met Jan. 24, India's delegation said it had another communication from Peking which implied Red China's support of a new scheme offered by the Asian-Arab bloc: call a conference of the 7 nations designated by Red China, let the conference determine whether the 2 sides could get together on the most recent UN cease-fire plan.

China was said to be willing to have the conference held somewhere outside China, except in the U.S. Another rumor: the Reds were willing to withdraw temporarily to the north of the 38th Parallel in Korea. India did not publish the new note from Peking, and many UN delegates wanted to know whether the principle of a definite cease-fire was getting lost in negotiations between Peking and New Delhi.

Nehru Scores U.S. Policy. Indian Prime Min. Nehru, in a broadcast from New Delhi Jan. 24, refused to call Red China an aggressor and said he was "convinced" the Chinese Reds were "eager to have negotiations" on Korea and other Far Eastern disputes. He said the Austin resolution against the Chinese "cannot lead to peace." He said "great changes have come over Asia" and warned non-Asians against attempts to "treat the great nations of Asia in the old way." He said the UN ignored "adequate notice" from Red China against crossing the 38th Parallel last October, with the result that "further complications ensued." Both sides must share the blame for the present situation in Korea, and things might have been different had Red China been admitted into the UN a year ago, as India had urged, he said.

U.S. Gains in Debate. The U.S. nevertheless picked up more support for its anti-Chinese resolution Jan. 24. Australia, New

†Chinese Nationalist Forgn. Min. George Yeh said Jan. 18 in Taipei, Formosa: "The Communist Internationale calls for world revolution and world conquest and not for the promotion of world peace." Perhaps Red China's rejection of UN cease-fire pleas would "bring its (UN's) understanding of China Communists a step closer to that of ours." [See p. 15E]

§UN has submitted 2 Truce Com. cease-fire plans to Red China, has sent Peking 4 messages in connection with them, also had talks with Chinese Red delegates in Lake Success in December. Red China also spurned invitation to Korean debate in Security Council in November. [See p. 13E; Vol. X, 414M-N, 382L, 361E]

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Zealand and France announced they would support it, although France urged a "go slow" policy on sanctions against China. Canada and South Africa were reported swinging to the American side. Arab countries announced through the Arab League Political Com. in Cairo they would abstain.

A Austin told the UN Assembly's Political Com. Jan. 24 that China must be shown "you can't shoot your way into the UN." He said the U.S. understood why many countries "remote from the scene of the conflict" in Korea were reluctant to get involved with China. But he warned: "If any one of us is attacked, each of us would in that situation desperately ask the UN to provide the unified support of every other government in the world to meet the attack. How can we bring that about for our own countries? Only by a determination to take united action to support each other faithfully and vigorously when an act of aggression occurs."

B U.S. State Secy. Dean G. Acheson told a news conference in Washington Jan. 24 he hoped to win the battle in the UN to have Red China branded as an aggressor. But he avoided sharp criticism of Britain, India and others opposed to the Austin resolution. In London many members of Parliament expressed fear that Americans were beginning to think Britain was on Red China's side. They urged Attlee to patch up the U.S.-British policy split over UN action on Korea.

Soviet UN delegate Semyon K. Tsarapkin said Jan. 25 he would not interfere with passage of the Asian-Arab conference plan.

C **Truman Backs Anti-China Drive.** "I believe in calling an aggressor an aggressor," Pres. Truman said Jan. 25 in a statement on "aggression by the Chinese Communists." He said Austin's efforts in the UN had "the solid support of the Executive, the Congress and the people of the U.S." He added that the U.S. did not seek "rash or unwise action"; its UN resolution contained "a method for bringing about a cease-fire, and opening the way for peaceful settlement of outstanding issues." [See p. 4K]

Warfare

D **UN Patrols Hit Reds.** Allied ground patrols and planes struck daily against Communist advance lines south and southeast of Seoul this week, but the UN command reported no contact with main enemy ground forces. UN strategy was to break up or at least unmask Red preparations to resume the offensive.

A tank-led UN force entered Wonju on the central front Jan. 23 for the 7th time in 8 days, then made a raid 12 miles farther north Jan. 24 to Hoengsong, site of an important power station only 33 miles below the 38th Parallel. The patrol withdrew after failing to run into the Reds' main lines. Hoengsong was attacked heavily by UN planes Jan. 25.

On the western end of the front, the Reds threw UN troops out of Ichon, 30 miles southeast of Seoul, Jan. 21, but an Allied patrol raided the town next day and found it lightly held by the Communists. [See p. 14J-K]

E A force of U.S. and Canadian warships bombarded the port of Inchon, west of Seoul, Jan. 25. [See p. 2E]

U.S. Generals Confident. U.S. Army Chief of Staff Gen. J. Lawton Collins, back from a visit to Korea and Japan, said Jan. 20 he found the Army in Korea "has plenty of fight left in it" and predicted the Reds will be "very severely punished" if they try to crack the present UN line below Seoul. He and AF Gen. Hoyt Vandenberg returned to Washington Jan. 19. [See p. 14L]

Gen. Douglas MacArthur, visiting Korea for the 8th time in the war, said Jan. 20: "No one is going to drive us into the sea. This command intends to maintain a military position in Korea F just as long as the statesmen of the UN decide we should do so." Back in Tokio Jan. 23, he said recent strategy has been to make the enemy "lengthen his supply line in areas where we can attack it." He said the Reds could supply 1,500,000 troops when they were near Manchuria but can maintain only about half a million in South Korea. [See p. 14N-P]

Air Battles. With North Korean cities again under frequent heavy UN bombing attack, the Reds sent up 18 to 28 MIG jet fighters from Antung, Manchuria Jan. 23 to battle 24 U.S. Thunderjets. The U.S. 5th AF claimed 4 or 5 enemy planes destroyed, 2 damaged, no American losses. [See p. 2J]

G **Guerrillas.** The U.S. 8th Army disclosed Jan. 19 that anti-Communist guerrillas were active near Ullyul on Korea's west coast just north of the 38th Parallel. Another 8th Army report Jan. 24 said 20,000 Red guerrillas behind UN lines in South Korea were being held in check by a network of heavily armed police and military sentry posts. [See Vol. X, p. 374E]

Refugees Protest 'Scorched Earth.' Reports from the east-central front in South Korea Jan. 19 said civilians were complaining to UN civil affairs officers that U.S. troops were carrying out a "brutal" scorched-earth policy, destroying homes and villages so Red troops would have no buildings in which to hide [see p. 2D]. The South Korean Govt. said Jan. 20 that 600,000 H refugees were being moved to Cheju and Koje islands because the U.S. Army wants South Korea cleared. The refugees were told they would have better accommodations on the islands than on the mainland. [See p. 2J-K]

Britain reported Jan. 23 its Korean war losses to Jan. 20 were 120 killed, 366 wounded, 231 missing. [See p. 14N]

Australia stopped recruiting men for Korean service Jan. 17. It said the Australian battalion in Korea was at full strength and had 1,000 trained reserves in Japan. [See Vol. X, p. 421J]

AF Maj. Gen. Emmett (Rosy) O'Donnell, according to some J wire reports, said in an interview at March Field, Calif. Jan. 18 the U.S. should strike Manchuria "with either conventional-type bombing or A-bombs." AF Chief of Staff Gen. Hoyt S. Vandenberg said those were not official Air Force opinions, added Jan. 23 O'Donnell was falsely quoted on the A-bomb. [See p. 14M]

ATLANTIC DEFENSE

Eisenhower Visits Germany. Gen. Dwight D. Eisenhower returned to Germany Jan. 20-23 on a goodwill visit as Atlantic defense Supreme Commander and told the Germans "bygones K are bygones" insofar as his World War II enmity is concerned.

Instead of trying to extract a promise that the Germans will furnish troops for his Atlantic army, he concentrated on efforts to dispel German resentment of him personally and assure the Germans that (1) they could become equal partners with the West and (2) he does not question the "honor" of most Germans he fought against. He made the "bygones are bygones" statement on arriving in Frankfort-on-the-Main Jan. 20 for a 4-day stay at U.S. headquarters there. His farewell statement Jan. 23 said he did not "believe that the German soldier as such has lost his honor." There is "a real difference between the regular German soldier and officer and Hitler and his criminal L gang," he said.

In talks with German officials, including a half-hour meeting with Chancellor Konrad Adenauer Jan. 22, the general reportedly made headway in convincing them he did not scorn all Germans. He listened to German arguments for building up U.S. forces in West Germany so its population would feel secure. Question of German troops for the West continued to be discussed between Allied and German officials in Bonn. But a West German Cabinet spokesman said Jan. 23 he believed "much psychological progress" had resulted from Eisenhower's visit. [See p. 3F]

Ends European Tour. Eisenhower visited Luxembourg Jan. 20 M after a stop in Rome, returned to Paris from Germany Jan. 24 at the end of a tour of Atlantic pact capitals, flew to Iceland Jan. 25 en route home to report to the President and Congress on what he had learned about Atlantic defense prospects. Paris police and Mobile Guards arrested 2,500 Communist demonstrators Jan. 24 and broke up Red plans for a protest march on Eisenhower's headquarters. [See p. 15J-K]

UP said Jan. 23 Eisenhower had collected pledges of about 20 divisions (4 U.S.) for his Atlantic Treaty army by the end of 1951, also hoped that Germany would eventually furnish 150,000 men. UP's figures on the outlook:

N U.S.—2 divisions in Germany now; force to be raised to 4 by summer.
France—3 divisions in Germany now, 5 by summer.
Britain—2 1/3 divisions in Germany now, 4 1/3 by April.
Belgium—One division in Germany now, 2 by summer, 3 by 1952.
Italy—3 divisions to be formed immediately.
Norway—4,000-man brigade now in Germany.
Denmark—1,000-man combat team now in Germany to be raised to 4,000.
Netherlands—No divisions now; 3 promised but not for this year.
Luxembourg—2-battalion army to be raised to 4 battalions.
Portugal—No forces now, none promised.
(Iceland has no armed forces, contributes bases only.)

UP estimated that the Atlantic countries (including U.S. and Canada, excluding Iceland) will spend $50,481,000,000 for defense this year with the U.S. accounting for $41,421,000,000. The U.S. also will give other countries $6.5 billion in military and economic aid. [See p. 16J; Vol. X, 422F-G] P

New Soviet Warnings to France, Britain. Russia delivered sharp warnings to France and Britain Jan. 20 that their support of the Atlantic pact and West German rearmament was "gross violation" of wartime friendship and nonaggression treaties with

the Soviet Union. It was the 2d such protest in 5 weeks. Both London and Paris believed Russia was about to break the treaties. [See p. 3F]

New West Offer on Big 4 Talks. Another U.S.-British-French answer to Russia's demand for Big 4 talks on Germany was sent to Moscow Jan. 23 and repeated the Western viewpoint: a Big 4 conference should cover all "principal problems" causing "tensions throughout the world," not Germany alone. The Western powers again suggested preliminary talks in Paris among Big 4 representatives to try to agree on the order of business for a major conference. [See p. 3E]

Dutch Army Chief, Cabinet Out. Gen. Hans J. Kruls, 48, who wanted Holland to rearm faster than the Cabinet would agree to, was dismissed Jan. 23 as Dutch Army Chief of Staff to be replaced Feb. 1 by Col. B. R. Hasselman. [See p. 3D]

Next day (Jan. 24) Labor Premier Willem Dress' 4-party coalition Dutch Cabinet resigned because of a dispute in Parliament over Indonesia. Forgn. Min. Dirk U. Stikker quit when his own Liberal Party criticized him for offering to share administration of West New Guinea with Indonesia. The entire Cabinet then resigned to support Stikker. [See Vol. X, p. 418A]

Mediterranean Vigilantes. Non-Communist maritime and dock unions in Mediterranean ports of France, Italy, North Africa and Greece have organized strong-arm committees to give Communist "agents of terror" a "taste of counter-terror," Irving Brown, AFL's European representative, said in Paris Jan. 18. He said he expected the organization to be extended to western and northern Europe, Israel, Egypt and Turkey. [See Vol. X, pp. 402E-F, 317M]

OTHER DEVELOPMENTS

Lenin Anniversary. Denunciations of the U.S. featured a ceremony in Moscow's Bolshoi Theater Jan. 21 marking the 27th anniversary of Lenin's death. Premier Joseph Stalin and other Soviet leaders heard Peter Pospelov, director of the Marx-Engels-Lenin Institute, declare that "plans for American aggressors for war against Russia with land forces on the European continent are doomed to failure." He said "final victory of the proletarian revolution over the wild beast of imperialism" is inevitable.

The Yugoslav press praised Lenin in connection with the anniversary but accused Stalin of having distorted Lenin's movement into a "state capitalistic dictatorship of a backward Asiatic despotic type." Marshal Tito told the Italian news agency Ansa Jan. 13 he was ready to collaborate with Socialists and other anti-Soviet "progressives" throughout the world to establish a "third force" between the extremes of capitalism and Soviet communism. [See pp. 21G, 9A-B]

Tibet. Tibetans in India said Jan. 20 that Chinese Red invasion columns were still about 150 miles from Lhasa both to the northeast and northwest. A refugee Tibetan official also reported Jan. 19 that the Chinese duped the garrison at Chamdo, key city of eastern Tibet 300 miles east of Lhasa, into surrendering last October by putting on a harmless display of star shells, rockets and other fireworks. [See Vol. X, p. 423H]

Red 'Peace Defense' Laws. "Defense of peace" laws against war propaganda have been passed by Albania (Jan. 12), Poland (Dec. 29), Czechoslovakia (Dec. 20) and Hungary (Dec. 9). They were suggested by Soviet journalist Ilya Ehrenburg at the last Partisans of Peace congress in Warsaw. East German officials disclosed Dec. 21 they had delayed carrying out a death sentence for warmongering against Herman Josef Flade, 18-year-old student. The sentence was protested by many groups in both West and East Germany. [See Vol. X, pp. 407D, 374M-N]

West Berlin Mayor Ernst Reuter, a Socialist, was reelected by the City Assembly Jan. 18. Walter Schreiber, Christian Dem. who tied Reuter in an Assembly vote on the mayoralty Jan. 12, withdrew and was named Deputy Mayor. [See Vol. X, p. 391M]

Intl. Bank loaned South Africa $50 million Jan. 23 for electric power and transport projects. South Africa also obtained a $10 million private loan and $20 million revolving credit from 8 U.S. commercial banks through Dillon, Read & Co. Brazil received another $15 million loan from the Intl. Bank Jan. 18 for electric power developments. [See Vol. X, p. 340A]

Paris is "out" as the site of the regular UN Gen. Assembly session next fall because the French Govt. says it cannot provide facilities, UN Secy. Gen. Trygve Lie announced in New York Jan. 24. Probable meeting place: New York. [See p. 15M]

NATIONAL AFFAIRS

THE PRESIDENT

Stabilization Shake-Up. Pres. Truman Jan. 19 regretfully ousted Alan Valentine as Economic Stabilization Administrator and appointed Eric Johnston, president of the Motion Picture Assn. of America, to replace him. He did this in an effort to speed up imposition of wage-price controls.

Valentine, ex-president of the U. of Rochester, had held the $17,500-a-year post for only 3 months, but they had been marked by bickering over policy. He was asked to resign because Mr. Truman and Defense Mobilization Director Charles E. Wilson considered him too slow in setting up control machinery.

In his resignation Valentine revealed that he did not disagree "as to the necessity of overall price and wage controls" but only "as to the precise timing and methods." He told the President that "drastic action," which "you feel should be taken immediately," "seemed to me premature." He had submitted a plan for overall mandatory wage-price controls to Wilson Jan. 18, he said, but it had been rejected. Valentine revealed that his plan had been approved by 3 former OPA heads: Chester Bowles, Leon Henderson and Paul A. Porter. [See p. 11G]

Johnston, 55, a former president of the U.S. Chamber of Commerce, took a 9-month leave of absence from the Motion Picture Assn. but said he was not limiting his service as Economic Stabilization Agency head to that period.

Wilson told reporters that a reorganization of the ESA along World War II lines would give Johnston increased power under his (Wilson's) general supervision to formulate control policies regulating wages, prices, rents, profits, credit and rationing. These policies would be put into effect by Price Stabilization Director Michael V. DiSalle and the 9-man Wage Stabilization Board headed by Cyrus S. Ching. [See p. 22B]

Johnston told the Senate Banking Com. Jan. 22 that inflation was "as great a threat as Russia." "Russia can lick us if we don't stabilize our economy," he warned. Wage and price controls must be instituted simultaneously, he said, but he predicted that a vigorous fiscal policy, specifically including high taxes, would be "more effective" in defeating inflation than wage-price curbs. The committee unanimously approved his nomination. [See Vol. IX, p. 160F]

The President's Council of Economic Advisers urged immediate wage-price curbs and tax increases at a meeting of the Joint Congressional Economic Report Com. Jan. 22. [See pp. 31D, 18A]

An 11-member committee to advise Wilson on allocating materials to America's foreign allies and on getting defense supplies from them was created Jan. 19 with Economic Cooperation Administrator William C. Foster as chairman. A 5-man Materials Policy Comm. headed by Columbia Broadcasting System Chairman William S. Paley was appointed by Pres. Truman Jan. 22 to survey the nation's long-range materials requirements "as distinct from the immediate defense needs." [See p. 4P]

Creates Security Group. Pres. Truman Jan. 23 created a 9-member Comm. on Internal Security & Individual Rights to consider how to protect the U.S. against treason, espionage, sabotage and other subversion without endangering "the freedom of its citizens." He recalled Fleet Adm. Chester W. Nimitz from retirement to be chairman. [See Vol. X, p. 251L]

Mr. Truman said the commission will "seek the wisest balance that can be struck between security and freedom." It will examine U.S. laws, practices and procedures relating to security, including the Govt. employe loyalty program and the McCarran Communist-control law, and will make recommendations both in interim reports and in a final report when it finishes its job, probably in a year. Establishment of such a commission had been widely urged since the Senate investigation of Sen. Joseph R. McCarthy's (R., Wis.) charges of communism in the State Dept.

Rest of the commission, appointed Jan. 25: Anna Lord Strauss (vice chairman), ex-pres. of League of Women Voters; Episcopal Bishop Karl Morgan Block of California; ex-Sen. John A. Danaher (R., Conn.); Harvey Firestone Jr. of Akron, tire & rubber manufacturer; William E. Leahy, Washington lawyer; ex-Asst. Treas. Secy. Russell C. Leffingwell of New York, J. P. Morgan & Co. chairman; Charles H. Silver of New York, American Woolen Co.

vice pres.; Rev. Emmett M. Walsh, Coadjutor Bishop of Youngstown, O. [See Vol. X, pp. 368E, 357F, 356K, 341F]

Sen. Pat McCarran (D., Nev.), chairman of the Senate Judiciary Com., Jan. 18 appointed a 7-member subcommittee with himself as chairman to investigate administration of the New Internal Security Act, which he helped write, and Communist activities in the U.S. The Senate has been asked to vote $160,000 for the inquiry. Other members: Sens. James O. Eastland (D., Miss.); Herbert R. O'Conor (D., Md.); Willis Smith (D., N.C.); Homer Ferguson (R., Mich.); William E. Jenner (R., Ind.); Arthur V. Watkins (R., Utah). All supported the McCarran bill. [See Vol. X, p. 417E]

Scores Stalin. Pres. Truman said Jan. 19 that there was no difference between "Hitler and Mussolini, Tarquin of ancient Rome, the tyrants of Sparta, Charles I of England and Louis XIV—and Stalin." Speaking to the Society of Business Magazine Editors meeting in Washington, he said present and past dictators are all alike in their disregard of human rights. He saw the current struggle as a contest between the forces exalting the human spirit and democracy and the forces of "materialism." He predicted the defeat of materialism.

He also jokingly compared the row over his right to send troops to Europe with the Carthaginian Senate's objections to Hannibal's sending elephants to Italy. But he praised the patriotism of the Senators and said when the time came for action he was sure they would do the right thing. The gesture of friendship toward the Senate came a day after he complained at his press conference that not a single newspaper had quoted his Jan. 11 statement that he was ready to consult with Congressional committees before sending American troops to Western Europe. The reporters protested many had. [See pp. 29K-L, 19A, 5F, 4C]

Gets Byrnes Support. James F. Byrnes, sworn in Jan. 16 as South Carolina Governor, pledged "loyal support" to the Administration's foreign policy. Byrnes, whom Mr. Truman was once quoted as calling a miserable failure as State Secretary, called for U.S. withdrawal from Korea unless the UN brands Red China an aggressor, authorizes bombing Manchurian supply points and joins in blockading China. He proposed concentration of U.S. and allied forces in West Europe as "an indispensable first line in the defense of civilization" and urged acceptance of Gen. Dwight D. Eisenhower's forthcoming decision on how best to do this. Byrnes' support of the Administration, however, did not extend to domestic affairs. He assailed some Truman programs as socialistic. [See Vol. X, pp. 307G-K, 368J]

Byrnes assured the S.C. Gen. Assembly Jan. 24 that the state's public schools would continue to be segregated despite "Negro agitators" and Washington "politicians."

Plans FEPC. Pres. Truman told reporters Jan. 18 that new moves would be made to set up a permanent commission to fight job discrimination based on race, religion, color, national origin or ancestry. 12 Republicans headed by Sen. Irving M. Ives (N.Y.) introduced a Senate bill to create a Fair Employment Practices Comm. the same day. Ives said he favored creation of a temporary FEPC by Pres. Truman until Congress passes the bill. But Sen. Harry F. Byrd (D., Va.) predicted Jan. 19 that Congress would refuse to appropriate money to operate an FEPC if the President should appoint one. [See p. 17C; Vol. X, 221B]

Receives Spanish Envoy. Pres. Truman received the credentials of Spanish Ambassador José Felix Lequerica, 59, Jan. 17, ending a 5-year suspension of U.S.-Spanish diplomatic relations. Mr. Truman told him that "every nation of the free world may be called upon to bear its share of sacrifices and make its contribution to the survival of Western civilization." Lequerica later told newsmen that Spain was ready to defend Europe against aggression. Its 400,000-man army could be expanded to 1,000,000 men within 2 weeks, he declared. [See p. 15J-K; Vol. X, 416D]

Marines Return Purple Hearts. Marine Pfc. Donald R. Chatterson, 20, told the AP in Port Huron, Mich. Jan. 22 that he and 19 other Marines wounded in Korea had sent their Purple Heart medals to Pres. Truman for saying last year that the Marines were the Navy's police force with a propaganda machine comparable to Stalin's. (The President had apologized and was later made an honorary Marine Corps League member.) [See Vol. X, pp. 424B, 284E]

Appointments. Phelps Phelps, 53, N.Y. lawyer, as Governor of American Samoa Jan. 22. [See p. 17C] . . . Joseph P. Adams, Washington state aeronautics director, as a CAB member Jan. 23.

2-Term Limit Gains. A proposed Constitutional Amendment limiting a U.S. President to 2 terms was ratified by Indiana—the 25th state to do so—Jan. 19. The Amendment will become law if 11 more states ratify it. [See Vol. IX, p. 30A-B]

CONGRESS

Bills Passed. A bill to give armed forces members free $10,000 life insurance policies was passed by the House 390-0 and sent to the Senate Jan. 24. The measure is retroactive to June 27, 1950 when U.S. troops began action in Korea. The policies will go only to servicemen on active duty, and its coverage will end 90 days after a serviceman leaves active duty. The insurance cannot be converted into long-term annuities or similar types. It is expected to be less expensive to the Govt. than the GI insurance sold in World War II. [See p. 19M]

A measure authorizing the already established Tactical Air Command, whose function is air support of ground troops, was passed by the House and sent to the Senate Jan. 24. It would also permit the setting up of other air commands in war or when Congress declares an emergency. [See Vol. X, p. 365K]

A bill to recapture excess profits on defense contracts by renegotiation was passed by the House 377-0 and sent to the Senate Jan. 23. It also provides for renegotiation of profits made by "5 percenters." (Renegotiation of $200 billion in World War II contracts resulted in recapture of $11 billion.) [See p. 19N]

McMahon on Russia. Sen. Brien McMahon (D., Conn.) asked the Senate Jan. 22 to pass a resolution of friendship for the Russian people and to challenge the Kremlin to circulate it. He again urged a $50 billion world aid program, which would include Russia, if the latter agrees to "effective" atom bomb control. [See Vol. X, pp. 424F, 34J]

Henry A. Wallace, speaking in Boston Jan. 21, suggested a $10 billion-a-year U.S. "a-peace-ment" program as a worldwide "PWA project" to be carried out through the UN. As a condition, he would require peace concessions from Iron Curtain countries. [See Vol. X, pp. 424G, 137J]

Troop Test Sidetracked. The Senate Jan. 23 unanimously referred the Wherry resolution on use of troops overseas to the Forgn. Relations and Armed Services Coms. Both sides claimed a victory. [See p. 18P]

$100,000 Shortage Charged. Rep. Norris Paulson (R., Calif.), a CPA, charged Jan. 20 that there was a $100,000 shortage in the inventory account of the House Folding Room, that Folding Room payrolls had been "positively padded" and that there was an additional shortage in House Stationery Room accounts. He demanded an inquiry since "there is no doubt that a criminal offense" was involved. House Doorkeeper William M. (Fishbait) Miller, Folding Room superviser, confirmed the shortage. The Folding Room handles mass mailing of Govt. publications for House members. [See Vol. X, pp. 366L, 91M]

Biographies Published. A *Biographical Directory of the American Congress: 1774-1949*, first such history since 1927, was published by the Joint Printing Com. Jan. 18. It omitted the criminal records of living ex-members (Andrew J. May, J. Parnell Thomas, James M. Curley) to avoid embarrassing them. [See Vol. X, pp. 296P, 123P]

81st Congress' Record. 1,986 of the 16,670 bills introduced in the 81st Congress became law, the *Congressional Record* reported Jan. 18. [See p. 6F]

MOBILIZATION & DEFENSE

Draft of 18-Year-Olds Pressed. Defense Secy. George C. Marshall told the House Armed Services Com. Jan. 23 that refusal to draft 18-year-olds would imperil U.S. security. He said Korea needed troop replacements at the rate of 15,000 a month and asserted that if Universal Military Training had been approved in 1948 the Korean attack would not have occurred. "We would have been so powerful nobody would have threatened us." He also declared that athletes healthy enough to compete in professional sports would no longer be classified 4-F but would be drafted and used as noncombatants if unsuitable for combat.

Marshall announced Jan. 19 that college students would be allowed to finish their academic year and still enlist in the service of their choice. Many educators had urged the Govt. to try to end college "chaos" resulting from a "beat-the-draft" rush. Students had been dropping out in mid-term to join the Air Force and Navy in order to avoid being drafted into the Army. Marshall's announcement applied even to youths who have received pre-induction physical exams or have been ordered to take

them. They will be allowed to choose their services provided they do so one to 3 months before the end of the school year. Colleges had been reporting spring term enrollment drops of up to 50% as a result of "panic" enlistments. [See p. 20C]

Draft of 18-year-olds was opposed by Ralph W. McDonald, testifying for the Natl. Educational Assn. before the Senate Preparedness Subcom. Jan. 24, and by the Assn. of American Colleges* at a meeting in Atlantic City Jan. 8-10. The college group urged deferment of advanced students.

U.S. Can Repel Invaders. Gen. Omar N. Bradley, Chairman of the Joint Chiefs of Staff, told the Senate Preparedness Subcom. Jan. 22 that the U.S. was strong enough to beat off any invasion attempt. Anti-aircraft defenses are powerful enough to repel air attack, he said, although an enemy willing to take heavy losses could get some bombers through. He testified in favor of drafting 18-year-olds. [See Vol. X, pp. 375G, 383N]

Foreign Service. The Army Jan. 23 extended foreign service tours for all personnel for another 6 months to boost armed strength abroad, especially in Germany. It also continued the indefinite extension of Far East duty. The Air Force Jan. 24 reorganized its forces in continental Europe, England and the Mediterranean, placing them under the single unified command of Lt. Gen. Lauris Norstad, commander of U.S. Air Forces in Europe (USAFE). The regrouping included revival of the wartime 12th Air Div., with Maj. Gen. Robert W. Douglass Jr., USAFE chief of staff, as acting commander, to take over USAFE's former responsibilities—U.S. air installations in Germany and Austria. [See Vol. X, p. 323P]

VA Ouster Inquiry. Sen. Hubert H. Humphrey (D., Minn.) was named chairman Jan. 19 of a Senate Labor subcommittee to investigate policies of the Veterans Admin. and ouster of Dr. Paul B. Magnuson as VA medical director. [See p. 20F]

Navy command shifts announced Jan. 22: Adm. Matthias B. Gardner [see Vol. X, p. 284K] to command 6th Fleet (in Mediterranean), succeeding Adm. John J. Ballentine [see Vol. X, p. 13D], who becomes commander of Atlantic Fleet Air Force; Adm. Felix B. Stump, head of Atlantic Fleet Air Force, to succeed Gardner as commander of 2d Fleet (in Atlantic); Adm. Harold M. Martin, commander of Air Technical Training Command in Memphis, to exchange posts with Adm. Calvin T. Durgin [see IX, p. 422J], commander, First Fleet (in Pacific).

Maj. Gen. Kenneth D. Nichols was appointed Dep. Director of Defense Dept.'s Guided Missile Office Jan. 23; Brig. Gen. Herbert B. Loper succeeded him as chief of Armed Forces Special Weapons Project. [See Vol. VIII, p. 73L] . . . **Brig. Gen. William Hesketh** was appointed Civil Defense Director of Connecticut Jan. 22 . . . **Dr. Charles Stark Draper** of MIT was awarded the Air Force's Exceptional Service Award, its highest civilian decoration, Jan. 23 for developing a computing gunsight for fighter planes . . . **Sgt. Paul P. Ramoneda** of Baldwin Park, Calif. was chosen Jan. 22 as posthumous winner of the Air Force's 1950 Cheney Medal for humanitarian action performed in connection with aircraft. He died Aug. 6 while trying to save crew members of a B-29 that crashed at Travis AF Base, Calif.

LABOR

Wages Rise. The Bureau of Labor Statistics reported Jan. 24 that wages of union construction workers rose nearly 7% in 1950 to an average of $2.36 an hour at the beginning of 1951 (rates ranged up to $3.50 an hour for bricklayers in Oklahoma City). Scale was up 84% since June 1, 1939.

Recent major pay agreements: A 20¢ hourly raise (to bring daily pay up to $16.35) for 370,000 soft coal miners Jan. 18. The pact was signed in Washington by John L. Lewis for the United Mine Workers, Harry M. Moses for the Bituminous Coal Operators Assn., Joseph E. Moody for the Southern Coal Producers Assn. and Harry Treadwell for the Illinois Coal Operators Assn. and operators in Wyoming, Kentucky, West Virginia and Virginia. The raise takes effect Feb. 1. [See Vol. X, pp. 425M, 309M] . . . A 5-year Electric Auto-Lite Co. pact giving 23,000 members of the CIO United Auto Workers a 4¢ hourly raise every June and periodic cost-of-living adustments; announced in Toledo Jan. 5. [See Vol X, p. 417L] . . . New York City's Board of Estimate Jan. 22 voted a $250 annual cost-of-living bonus for 120,000 city employes earning less than $7,500 a year. [See Vol. X, p. 144P]

*Dr. LeRoy E. Kimball of NYU was elected AAC president Jan. 9. [See Vol. X, pp. 55A, 9K]

AFL Council Meets. Strict rent and price controls "which will permit effective stabilization of the cost of living" were urged by the AFL Executive Council at a meeting in Miami Beach Jan. 22-24. James C. Petrillo, president of the American Fed. of Musicians, was elected 13th vice president of the council to succeed the late Joseph N. Weber [see Vol. X, p. 404D]. Joseph D. Keenan, new secretary-treasurer of the AFL Bldg. & Construction Trades Dept., resigned as director of Labor's League for Political Education. [See Vol. X, p. 44C]

Sea Unions. Rival organizing drives designed to win over the 7,000 members of the Natl. Union of Marine Cooks & Stewards were announced in San Francisco by the CIO Natl. Maritime Union Jan. 12 and the AFL Sailors Union of the Pacific Jan. 18. The cooks union had been expelled from the CIO for allegedly following the Communist line. Both the NMU and the SUP said that any "genuine" sea cook or steward was welcome as a member but that they would not enroll Communists. [See Vol. X, p. 278C]

A 4-1 membership vote authorizing the ouster of Communists was announced by the independent Pacific Coast Marine Firemen, Oilers, Watertenders & Wipers Assn. in San Francisco Jan. 22. Vincent J. Malone was reelected for his 15th straight term as president of the union. [See Vol. X, p. 37H-J]

Strikes Delay Navy Ships. Rear Adm. Bertram J. Rodgers, 12th Naval District commandant, ordered 2 "urgently needed" Navy transports (the *General Randall* and *General Mitchell*) moved from the Todd shipyard at Alameda, Calif. to the Navy's Oakland supply center Jan. 18 because a strike had halted their overhaul. Members of the CIO United Steelworkers had quit the job Jan. 17 in a jurisdictional dispute. AFL carpenters were on strike at a number of West Coast shipyards for higher wages and company-supplied tools. West Coast yards had raised pay of all craft unions 12¢ an hour Jan. 9 "to meet the Navy's unfair competition," but the carpenters demanded an additional 7¢. The carpenters said they would not strike any "essential" ships. [See Vol. X, p. 425L]

Aged to Aid Defense. A program designed to employ the skills of older persons in the defense effort and, as a long-range objective, to help the aged lead happier and more useful lives got under way Jan. 23 with the appointment of Clark Tibbetts as chairman of the Fed. Security Agency's new Com. on Aging & Geriatrics. The program resulted from Pres. Truman's request of June 1950 for an attempt to solve the problem of the increasing proportion of older persons. [See Vol. X, p. 20K]

COMMUNISM

Remington Denies Being Red. William W. Remington took the stand at his perjury trial in New York Jan. 22-25 to deny that he is or ever was a Communist. He concentrated on the testimony of the 2 most damaging witnesses against him: that of his former wife, Mrs. Ann Moos Remington, and Elizabeth Terrill Bentley, 42, ex-Soviet spy courier.

The former $10,000-a-year Commerce Dept. economist and War Production Board employe denied he ever promised Mrs. Remington that he would remain a Communist as a condition of their marriage or that he ever gave Miss Bentley any secrets or paid her his Communist dues. He admitted he was a "radical" at Dartmouth, that he met Miss Bentley in Washington 6 or 10 times in 1942-43 outside his office in places like a park and the Mellon Art Gallery but said he thought she was a newspaper researcher. He denied he gave her a formula for making rubber out of garbage, saying the process was mere "office gossip," and also denied giving her secret plane production and testing data. He said he supported aid to Britain in 1940, consistently opposed communism in his 10 years in the federal government and in 1947 prepared a memo urging economic aid to Europe as a method of fighting communism.

10 witnesses testified for him. Some had considerable difficulty under cross-examination. Bernard S. Redmont, *U.S. News & World Report* correspondent, was forced to admit Jan. 15 that Remington called him a possible Communist in 1947 and 1948 but apologized for such "damned nonsense" in a letter to Redmont last September. Redmont denied he was a Communist. David L. Martin, commercial artist, first testified Jan. 19 that he never knew Remington to be a Communist when they worked together for the TVA in Knoxville in 1937. The prosecution then presented evidence to show that he told the Civil Service Comm. in 1943 that Remington was "well-known" as a Com-

munist in Knoxville in 1937. Remington's father, Frederick C. Remington, 80, testified Jan. 16. [See p. 7M]

McGrath on Reds. Atty. Gen. J. Howard McGrath said in a speech read for him in Springfield, Mo. Jan. 13 that "we have the Communist 5th column well under control." He promised there would be "no Gestapo witch hunts" and "basic civil rights of the individual" would be protected. [See Vol. X, p. 417E]

The Com. on Natl. Affairs released an appeal in New York Jan. 19 signed by 145 writers, clergymen, educators and others to expose the "fallacies of the Communist ideology" but to refrain from character assassination and "star-chamber tactics."

U. of Calif. reported Jan. 12 that 15 faculty members in Los Angeles and Berkeley have failed to sign the new state loyalty oath. [See Vol. X, p. 317G] . . . **Loyalty Review Board** said Jan. 15 that 3,166 Govt. employes quit or were fired since Pres. Truman's loyalty program began March 21, 1947. [See Vol. X, p. 358N-P] . . . ***Daily Worker*** was banned from newstands of the Newsdealers Assn. of Greater N.Y. Jan. 15. The paper said Jan. 19 its circulation had suffered a "drastic drop" during the past year to below 14,000. . . . **Communist Party of N.J.'s** offices in Newark, N.J. were raided Jan. 18 by police who arrested 3 persons, including Charles Nesser, 36, state secretary, on charges of subversive activities. [See p. 8E] . . . **34 Honolulu witnesses** charged with contempt of Congress were acquitted there Jan. 19 by Fed. Judge Delbert E. Metzger. This ended the case of the "defiant 39" before the House Un-American Activities Com. [See p. 20A]

Natl. Com. for a Free Europe Jan. 18 named C. D. Jackson, 47, Fortune publisher, as president. [See Vol. X, p. 283K]

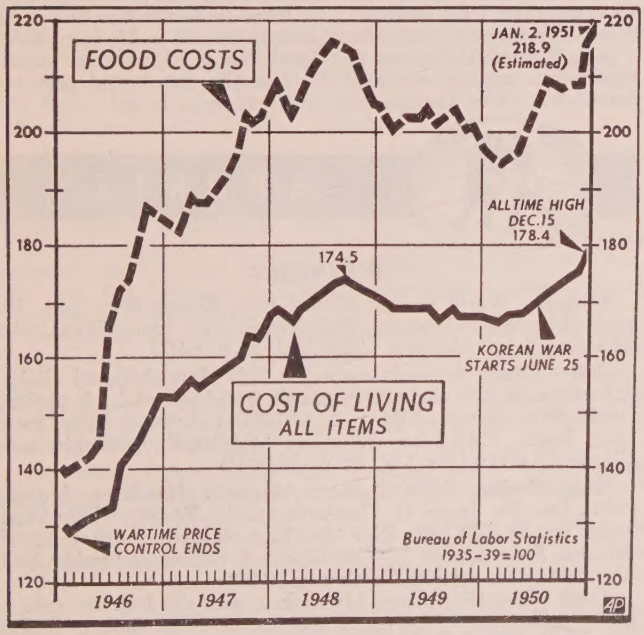
FINANCE & ECONOMICS

Price Action. A price-freeze order rolling back prices of cattle hides to the highest rates of Nov. 1950, a 15% reduction, was issued by the Office of Price Stabilization Jan. 25. It was the 2d price freeze in the current crisis and was intended to cut the price of shoes and other leather products. A general price-wage freeze—planned for Jan. 25—was delayed by reluctance of the Wage Stabilization Board's labor members to sign the wage order though they agreed on the need for issuing it. [See pp. 28J, 11G]

Meantime the Bureau of Labor Statistics reported that its cost-of-living index reached a record 178.4% of the 1935-39 average Dec. 15. This was 4.8% above the June 1950 level and 6.5% higher than on Dec. 15, 1949. Retail food prices led the rise, soaring 2.8% in a month. [See Vol. X, p. 418J]

Miss Kellems Wins Tax Suit. A U.S. Dist. Court jury decided in New Haven, Conn. Jan. 24 that Vivien Kellems, Stonington, Conn. cable-grip manufacturer, was entitled to return of $6,133.80 seized from her as a penalty for refusing to withhold her employes' federal income taxes. Fed. Judge Carroll C. Hincks, who presided, ruled earlier that the withholding tax act was constitutional. But he told the jury that Miss Kellems' deliberate flouting of the law could be held not "willful," and therefore not subject to penalty, if (1) it was based on belief that the statute was unconstitutional and (2) her desire to make a test case was "reasonable cause" for disobeying the law. Miss Kellems, who once said she would not withhold taxes unless the Govt. paid her as a tax collector, began to do so last October. The case, despite Hincks' ruling, did not settle the constitutionality of the withholding tax law. The Govt. has repeatedly ducked Miss Kellems' challenge that it indict her and put the law to a conclusive test. [See Vol. X, p. 244M; IX, 263K]

Rising Costs Force Price-Wage Freeze



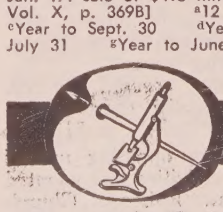
Wide World

Chart shows why price-wage freeze has been decided upon by Govt. Both food costs and general cost of living have zoomed to all-time peaks under impetus of Korean war, U.S. mobilization program. [See chart Vol. X, p. 426G]

COMPANY EARNINGS

	Net Income 1950	Net Income 1949	Per Share 1950	Per Share 1949
Alabama Power Co.	$10,198,246	$8,839,235	.....	.....
American Tel. & Tel. Co.	*†[a]351,161,644	[a]230,696,265	12.44	9.35
Armour & Co.	[b]19,038,787	[b]558,189	3.94	.....
Ashland Oil & Refining Co.	[c]10,004,484	[c]9,324,780	5.21	5.30
Burlington Mills Corp.	[c]27,941,000	[c]18,218,000	6.86	4.30
Canadian Breweries, Ltd.	[d]5,068,342	[d]6,888,835	2.30	3.04
J. I. Case Co.	[d]15,136,050	[d]17,607,392	16.89	19.77
Caterpillar Tractor Co.	29,264,285	18,834,787	7.49	4.89
Dana Corp.	[e]12,863,160	[e]8,314,553	4.98	3.18
Distillers Corp.-Seagrams, Ltd.	[f]41,809,371	[f]34,766,292	4.77	3.96
Emerson Radio & Phonograph	*[d]6,514,716	[d]3,835,653	3.70	1.73
Erie R.R.	13,455,493	5,954,235	4.67	1.60
Federated Dept. Stores, Inc.	[b]18,219,759	[b]13,932,401	6.44	4.95
Firestone Tire & Rubber Co.	[d]33,267,561	[d]17,823,621	16.75	8.81
Glidden Co.	[d]8,561,660	[d]6,191,923	4.11	3.23
Island Creek Coal Co.	5,100,000	4,141,505	4.16	3.36
Kelsey-Hayes Wheel Co.	[e]5,499,925	[e]4,872,327	8.89	7.88
Loew's, Inc.	[e]7,854,454	[e]6,744,761	1.53	1.31
Liggett & Myers Tobacco Co.	29,058,231	29,566,694	7.05	7.18
H. R. MacMillan Export Co., Ltd.	[e]7,412,381	[e]5,771,605	3.11	2.40
Marathon Corp.	[d]6,536,036	[d]4,519,217	4.84	3.29
Masonite Corp.	[e]6,958,413	[e]2,688,886	10.30	4.14
Mathieson Chemical Corp.	8,994,014	6,991,012	3.32	2.57
Minneapolis-Moline Co.	[d]7,301,711	[d]6,360,072	8.40	7.20
Mountain States Tel. & Tel. Co.	7,487,889	5,698,071	7.21	6.55
Mullins Mfg. Corp.	5,429,266	2,900,635	4.39	2.35
Murray Corp. of America	[e]11,081,829	[e]6,802,656	11.28	6.95
Nash-Kelvinator Corp.	[e]30,536,326	[e]26,229,931	7.03	6.04
Natl. Biscuit Co.	21,110,431	21,676,903	3.08	3.17
N.Y., Chicago & St. Louis R.R.	21,019,542	15,642,382	[p]58.29	[p]43.38
N.Y. State Electric & Gas Corp.	5,927,114	5,163,665	2.30	2.00
Niagara Hudson Power Corp.	19,857,000	19,672,000	1.96	1.94
Norfolk & Western Ry.	27,876,260	18,893,392	4.80	3.20
North American Aviation, Inc.	[e]8,086,255	[c]7,306,409	2.35	2.12
Oliver Corp.	[d]6,241,240	[c]6,141,243	7.31	7.19
Public Service Electric & Gas Co.	20,858,014	21,088,063	2.06	2.25
Ralston Purina Co.	[c]12,560,665	[c]11,694,345	14.87	14.15
Reading Co.	9,307,651	5,889,055	4.648	2.206
R. J. Reynolds Tobacco Co.	40,258,002	40,545,161	3.73	3.75
Rhodesian Anglo American, Ltd.	[g]£3,078,291	[g]£2,326,609	.....	.....
Rhokana Corp., Ltd.	[g]£4,482,500	[g]£3,780,582	.....	.....
Robbins Mills, Inc.	[b]$5,862,239	[b]$3,733,256	7.03	4.47
Schenley Industries, Inc.	[e]36,900,000	[e]24,242,590	8.47	5.38
South Porto Rico Sugar Co.	[c]5,709,006	[c]5,631,375	7.12	7.01
Southern Co.	16,859,038	17,261,709	1.10	1.27
J. P. Stevens & Co.	[d]23,473,204	[d]17,794,780	6.78	5.14
Superior Oil Co. of California	[e]6,928,542	[e]7,283,443	16.38	17.22
Swift & Co.	[d]16,142,586	[d]25,826,129	2.73	4.36
H. Walker-Gooderham & Worts	[e]27,925,874	[e]23,643,669	9.68	8.19
Warner Bros. Pictures, Inc.	[e]10,271,657	[e]10,466,534	1.46	1.43
Wesson Oil & Snowdrift Co.	[e]8,705,229	[e]4,690,319	6.46	3.02
W. Va. Pulp & Paper Co.	[d]12,262,000	[d]9,015,000	12.93	9.31

*Record †Approved largest single corporate financing operation in history Jan. 17: sale of $415 million in 12-year 3⅜% convertible debentures [See Vol. X, p. 369B] [a]12 months to Nov. 30 [b]52 weeks through Oct. [c]Year to Sept. 30 [d]Year to Oct. 31 [e]Year to Aug. 31 [f]Year to July 31 [g]Year to June 30 [h]Year to Nov. 30 [p]On preferred



ARTS & SCIENCE

Princeton Jet Center. Princeton U. announced Jan. 8 that it has bought a nearby 800-acre tract for conversion into a $3 mil-

lion research center for jet propulsion and aeronautical and allied sciences. The property includes 2 laboratories and was sold for $1½ million by the Rockefeller Institute for Medical Research. The new center will be named for the late James V. Forrestal, first U.S. Defense Secretary. Most work done there the next few years is expected to be Govt.-sponsored. (The Board of Control for Southern Regional Education demanded Jan. 5 that the Govt. distribute its research contracts throughout the nation. It charged that a half-dozen big schools got most of the World War II Govt. research contracts while Southern schools got the "brushoff.") [See Vol. X, p. 311E; VIII, 407E]

Outstanding Young Men. The "10 outstanding young men of 1950" as listed by the U.S. Jr. Chamber of Commerce Jan. 19: Raymond A. McConnell Jr., 35, editor of *Nebraska State Journal;* Edwin Eagle Dunaway, 35, U. of Arkansas law professor, ex-Arkansas Supreme Court justice; Alvin Martin Weinberg, 35, Oak Ridge nuclear physicist; Erle Cocke Jr., 29, American Legion commander; William O'Neill, 34, Ohio Attorney General; John Forrest Floberg, 35, Asst. Navy Secretary for Air; Dr. Philip M. West, 35, Los Angeles physician, medical researcher; John Rutherford Everett, 32, Hollins College president; Abe M. Zaren, 33, research director of Stanford Research Institute's Los Angeles Div.; Robert S. McCollum, 34, Denver businessman, Crusade for Freedom worker. [See Vol. VIII, p. 25M]

NEW BOOKS

CONFESSIONS OF A CHINA HAND, by Ronald Farquharson, British salesman in China before World War II. Jan. 10. (Morrow, $3)†

EAST WIND OVER PRAGUE, by Jan Stransky. Czech tells how Red Army "liberated" his country. Jan. 22. (Random, $3)†

JACKSON MAHAFFEY, by Fred Ross. Novel about North Carolina hillbilly country. Houghton Mifflin Fellowship Award novel. Jan. 22. (Houghton Mifflin, 308 pp., $3)*

NIGHTRUNNERS OF BENGAL, by John Masters. Briton's novel about Sepoy Mutiny of 1857. Lit. Guild choice. Jan. 19. (Viking, 339 pp., $3)*

TROUBLED SLEEP, by Jean-Paul Sartre. Trans. by Gerard Hopkins. Novel about fall of France. Jan. 22. (Knopf, 421 pp., $3.50)*

UNDER TWO DICTATORS, by Margarete Buber. Trans. by Edward Fitzgerald. Ex-German Communist describes 2 years in Soviet, 5 years in Nazi concentration camps. Jan. 8. (Dodd, Mead, 331 pp., $4)†

WE OF NAGASAKI: The Story of the Survivors in an Atomic World, by Takashi Nagai, Japanese professor of radiology and survivor of Nagasaki atom bombing. Jan. 25. (Duell, Sloan & Pearce, 189 pp., $2.75)†

*Fiction †Non-fiction

EDUCATION & RELIGION

Vet School Frauds Charged. 199 veterans and 5 operators of a beauty school were indicted by a federal grand jury in New York Jan. 12 on charges of fraudulently collecting $300,000 from the Govt. since Sept. 1, 1948. The Govt. said the veterans and the Grow System School of Beauty Culture got the money for subsistence, tuition and expenses for GI Bill training although 90% of the veterans never attended the school and the others dropped out after a short time. The 5 principals were arraigned Jan. 17. Ora W. Grow, 47, head of the school, his wife, Daffie, 40, and Vincent L. Puma, 45, alleged recruiter of the veterans, pleaded not guilty. Abelardo Martinez, 45, bookkeeper, and Victor J. Triolo, 48, instructor, pleaded guilty. The Govt. will arraign the veterans in "small batches."

A special House committee charged Jan. 4 that irregularities in the veteran education & training program were widespread. It said that in Texas 56 veteran training schools were owned and operated by Veterans Admin. employes or ex-employes. Some VA employes got big loans and gifts from schools seeking VA approval, the committee declared. It revealed that it had referred the case of the C. & E. Marshall Co. of Chicago to the Attorney General "for possible criminal prosecution" on grounds that the company, a watch and clock-making equipment supplier, allegedly encouraged schools to buy supplies through dummy corporations in order to charge the VA marked-up prices.

The House Executive Expenditures Com. accused the VA Jan. 2 of changing its rules in order to legalize overpayments which the Govt. could have recovered. [See Vol. X, p. 51P]

Episcopalian Bishops Meet. A resolution opposing use of gambling in any form to finance church activities was adopted by the House of Bishops of the Protestant Episcopal Church at a meeting held in El Paso, Tex. Jan. 9-12. The bishops unanimously approved a pastoral letter calling Russian communism "the immediate and obvious enemy of Western civilization" but observing that "the deepest enemy is the godless materialism which bred the illusions and cynicism of communism and weakens us now from within." 3 missionary bishops were elected: Rev. A. Ervine Swift for Puerto Rico, Very Rev. Richard R. Emory for North Dakota and Very Rev. Richard S. Watson for Utah. [See Vol. IX, p. 327K-L]

Jews. The World Jewish Congress in London Jan. 19 protested to the U.S., British, French and Russian Govts. against clemency for jailed Nazi war criminals. The Congress acted after (1) U.S. High Comm. John J. McCloy last year started a policy of reducing sentences and releasing Nazi war criminals for "good behavior" while in prison and (2) Sir Ivone Kirkpatrick, British High Commissioner, told newsmen in Berlin Jan. 16 that he was willing to reconsider any German war criminal's sentence "in view of the changed circumstances." [See Vol. X, pp. 315G, 276E]

Mrs. William Ackerman, 57, became the first woman in the U.S. to head a Jewish congregation with the powers of a rabbi Jan. 10. She was chosen to succeed her late husband as spiritual head of a Reform congregation in Meridian, Miss. Her only known modern predecessor is Lilly Montagu, head of a London Reform-Liberal congregation the past 15 years.

OBITUARIES

Dr. Harald August Bohr, 63, mathematician, brother of Nobel Prize winner Dr. Niels Bohr; Jan. 21 in Copenhagen.

Dr. Hermann Borchardt, 62, Berlin-born philosopher, author of *The Conspiracy of the Carpenters;* Jan. 23 in New York.

Jack Holt, 62, veteran film star noted for his "he-man" roles, father of actor Tim Holt; Jan. 18 in Los Angeles.

Charles Nessler, 78, Swiss-born barber who invented permanent waving and false eyelashes; Jan. 22 in Harrington Park, N.J.

William T. Rawleigh, 80, founder-pres. of W. T. Rawleigh Co. who began as a rural peddler and built an international merchandising business; Jan. 23 in Freeport, Ill.

Edgar Rickard, 77, mining engineer, associate of Herbert Hoover in World War I European relief; Jan. 21 in San Francisco.

Lawson N. Robertson, 67, retired track coach of the U. of Pa. and 4 U.S. Olympic teams; Jan. 22 in Philadelphia.

Benjamin Stolberg, 59, Munich-born authority on U.S. labor movement history; Jan. 21 in New York.

Dwight Deere Wiman, 55, Broadway theatrical producer whose 56 shows since 1925 included *The Road to Rome, On Borrowed Time, The Gay Divorcée, Street Scene:* Jan. 20 in Hudson, N.Y.

John Bloomfield (Johnny the Gent) Wood, 84, reformed superthief whose exploits included theft of the Ascot gold cup; reported Jan. 21 in London. He spent 42 years in jail.

SPORTS

WINNERS

Billiards. World pocket billiard title, Kansas City, Jan. 19: retained by Willie Mosconi, Philadelphia, over Irving Crane, who set a record 160 high run. [See Vol. X, p. 64G]

Golf. Tampa women's open Jan. 21: Mrs. Mildred (Babe) Zaharias with 288 (for new women's world record by 3 strokes) for $1,000. [See p. 24J] . . . $10,000 Lakewood Park Open, Long Beach, Calif., Jan. 22: Cary Middlecoff, Memphis, with 271 for $2,000. [See Vol. X, p. 304E-F]

Horse Racing. $50,000 Santa Margarita Handicap, Arcadia, Calif., Jan. 20: James H. Crofton's Special Touch, Willie Shoemaker up, for $40,150. [See Vol. X, p. 48H] . . . Prix d'Amérique trot, Paris, Jan. 21: Italian Count P. Orsiman's Mighty Ned, Alexandre Finn driving, for about $20,000.

Track. Don Gehrmann, Milwaukee, won the *Inquirer* mile in Philadelphia Jan. 19 in 4:12.4 and the K. of C. mile in Boston Jan. 20 in 4:11.5 (his 35th consecutive victory). He beat Fred Wilt, New York, both times for his 3d and 4th victory over the FBI agent. Gehrmann was finally ruled winner over Wilt in their last year's Wanamaker tie race. [See Vol. X, pp. 96G, 56B]

Wilt, 29, won the AAU's Sullivan Memorial Trophy Jan. 3 as top U.S. amateur athlete in 1950. [See Vol. X, pp. 184E, 8P]